

0347 - Student Loan Authority

Interim Progress Report

for the reporting period July 1, 2003 - December 31, 2003

Section I. Agency Update and Assessment

1. Emerging Issues at the Federal (National) or State level affecting the agency.

Act 5 of 1965, the Federal Higher Education Act, will be reauthorized by Congress in the next 12-18 months.

2. Status of any new initiatives funded from General Revenue or General Improvement funds in the 2003 Legislative Sessions and other changes made through General Legislation.

None that impact the Student Loan Authority

3. Discuss significant factors internal and external to the agency affecting agency performance.

Interest rates continue to be low. Interest rates on Student Loans will be pegged to June rates for the next 12 months, consequently increases in fund balance will be less than projected.

4. Provide comments on the usefulness and reliability of performance measures.

Our performance measures are useful to our management and are calculated on a monthly basis for reporting and management purposes. I question their usefulness outside the Authority.

5. Discuss significant uses of line item flexibility in this report period (agencies operating under Performance-Based Appropriations only).

Program 1: Administration & Support Services

Goal 1: Maintain overall oversight and administrative support for the agency and provide Arkansas citizens access to affordable funding for higher education through the issuance and management of tax-exempt student loan revenue bonds.

Objective 1: Provide oversight and administration of ASLA and develop, operate and manage bond issue funds to provide a reliable and comprehensive student loan program.

Measure Number	Performance Indicators	Annual Target	Actual YTD	Comments
1	Net Assets	Increase Fund Balance \$.8 million	876,580	
2	Percentage of Bond Asset Coverage	Greater than 102%	104.15%	
3	Size of accumulated loan fund balance	\$10 million accumulated loan funds	16.4 million	
4	Maintain AAA Bond Rating	AAA	AAA	
5	Outstanding Revenue Bonds (in dollars)	\$350,000,000	302,250,000	Issued \$84,000,000 of new bonds in January for a total of \$386,250,000
6	Audit Compliance Exceptions	None	None	

Comments on performance matters related to Objective 1:

Program 2: Student Financial Assistance Services

Goal 1: Enhance access to higher education through student outreach, client services and student loan servicing programs.

Objective 1: Develop programs to support services to students, high school counselors, college financial aid officers and participating lending institutions.

Measure				
<u>Number</u>	<u>Performance Indicators</u>	<u>Annual Target</u>	<u>Actual YTD</u>	<u>Comments</u>
1	Current number of ASLA loans made to students and parents	41,500 students	61,165 students	
2	Percent of Annual Loan Cohort Default Rate	Less than 12%	8.20%	
3	Number of College Fairs and Financial Aid Workshops participated in and supported	100	110	
4	Number of free scholarship searches performed for students	3500	4000	
5	Number of participating lenders	90	88	

Comments on performance matters related to Objective 1: